



Housing Appendices

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Housing Appendix

Overview

The appendix to the housing element presents information and analysis necessary to aid the City's elected officials in making policy decisions related to housing. The Housing Section of the 2001 – 2004 Consolidated Plan also serves as an annually updated resource of housing information.

Appendix A: Housing Inventory, Existing and Future Housing Needs

I. SEATTLE'S EXISTING HOUSING STOCK AND HOUSING MARKET

A. Housing Type and Tenure

Seattle's existing housing stock is currently distributed almost evenly between single-family houses and multifamily apartment structures (see Housing Figure A-1). As of 2000 there are a total of 269,128 housing units in the city. Of these, 135,284 units (50 percent) were in single family structures, 130,288 units (48.5 percent) in multifamily structures and 3,556 (1.5 percent) were in mobile homes or other structures. Since 1960, multifamily units have been increasing as a proportion of the total housing stock. Today multifamily units account for 48 percent of all compared to 37 percent in 1960 and 45 percent in 1990.

Seattle now has more renters (51 percent) than owners (49 percent). Eighty percent of the single-family homes are owner-occupied, with the remaining 20 percent renter-occupied. Multifamily units are 89 percent renter-occupied and 11 percent owner-occupied.

Rental units tend to be much smaller than owner-occupied units. Only 13 percent of renter-occupied units had three or more bedrooms, whereas 63 percent of owner-occupied units have three or more bedrooms (see Housing Figure A-2). Housing unit sizes and household sizes are not well matched. While owner-occupied households are larger than renter households (2.4 persons per owner-occupied household compared to 1.8 for renter households), 67 percent of the owner-occupied units in the City (mostly single-family houses) are occupied by only one or two people.

Seattle's share of King County's housing stock has been steadily declining over the last thirty years. In 1960, 65 percent of the housing units in King County were in the City of Seattle. By 1990 Seattle's share had dropped to 39 percent. King County continues to have a significantly higher proportion of single family units, 61 percent compared to Seattle's 53 percent. Mirroring the trend in Seattle, the proportion of units that are multifamily units in King County is increasing over time.





Housing Figure A-1

City of Seattle Housing Stock, 1990

| Housing Units | Total Units | Percent of Total Units | Vacant Units | Vacancy Rate |
|---------------|-------------|------------------------|--------------|--------------|
| Single Family | 132,330 | 53.1% | 4,288 | 3.2% |
| Multifamily | 113,146 | 45.4% | 7,798 | 6.9% |
| 2 To 4 | 22,641 | 9.1% | 1,521 | 6.7% |
| 5 To 9 | 16,636 | 6.7% | 1,058 | 6.3% |
| 10 To 19 | 24,420 | 9.8% | 1,359 | 5.5% |
| 20 Plus | 49,449 | 19.8% | 3,860 | 7.8% |
| Mobile Home | 694 | 0.3% | 47 | 6.7% |
| Other | 2,862 | 1.1% | 197 | 6.9% |
| Total | 249,032 | 100.0% | 12,330 | 4.9% |

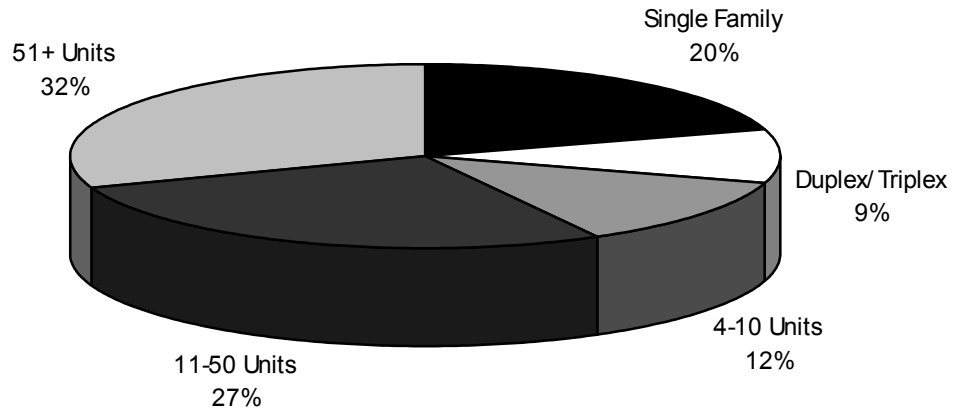
| Occupied Housing Units | Total Occupied Units | % of Total | Owner Occupied Units | % Of Owner Units | Renter Units | % Of Renter Units |
|------------------------|----------------------|------------|----------------------|------------------|--------------|-------------------|
| Single Family | 128,042 | 54.1 | 102,445 | 88.5 | 25,597 | 21.2% |
| Multifamily | 105,348 | 44.5 | 11,428 | 9.9 | 93,920 | 77.6% |
| 2 To 4 | 21,120 | 8.9 | 2,676 | 2.3 | 18,444 | 15.3% |
| 5 To 9 | 15,578 | 6.6 | 1,170 | 1.0 | 14,408 | 11.9% |
| 10 To 19 | 23,061 | 9.7 | 2,563 | 2.2 | 20,498 | 16.9% |
| 20 Plus | 45,589 | 19.3 | 5,919 | 4.3 | 40,570 | 33.6% |
| Mobile Home | 647 | 0.3 | 537 | 0.5 | 110 | 0.1% |
| Other | 2,665 | 1.1 | 1,299 | 1.1 | 1,366 | 1.1% |
| Total | 236,702 | 100.0 | 115,709 | 100.0 | 120,993 | 100.0% |

Source: U.S. Census of Population and Housing, 1990.

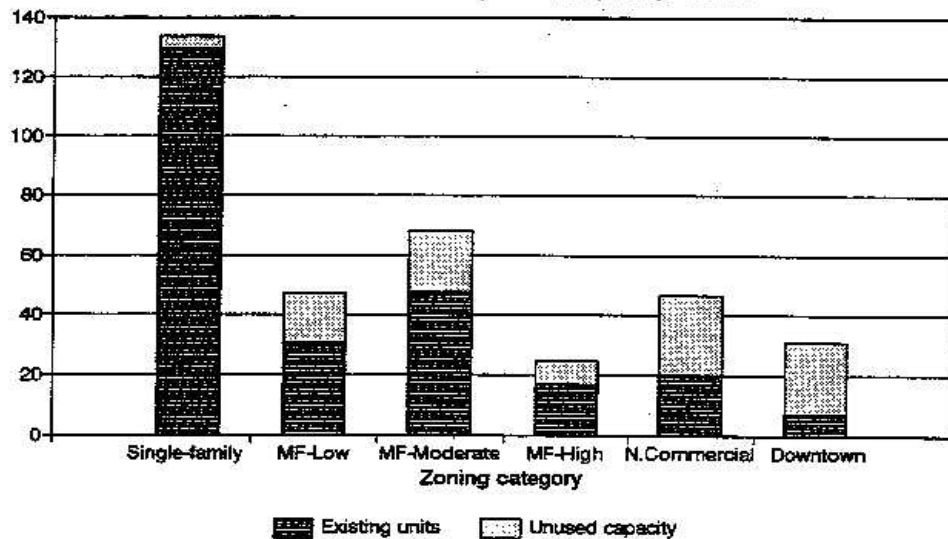




Housing Figure A-2
**New Housing Units by Building Size
9/94-6/00**



Housing Figure A-3
Seattle Residential Development Capacity, 1994



Source: City of Seattle Planning Department 1994





In 1990 Seattle's housing stock was divided almost evenly between single-family and multifamily buildings, 30 percent of the total units that comprise Seattle's total housing stock are located in buildings of 10 units or more. In contrast, only 16 percent of the total housing stock is in smaller multifamily buildings containing two to nine units. Seattle has a large number of single-family houses, a significant number of apartment houses, but relatively few units in ground-related housing types, such as townhouses, duplexes and triplexes. New housing units built or permitted between 1994 and 1999 continue the trend observed from the 1990 division of Seattle's housing stock. The housing stock continues to be dominated by single-family houses and larger multifamily buildings (see Housing Figure A-3).

The relative lack of ground-related multifamily housing is attributable to many factors. Seattle developed as a city of neighborhoods of single-family houses. Major periods of growth and expansion occurred after the time that the streetcar and the automobile made a dispersed low-density development pattern possible. Neighborhoods of row houses and triple-deckers that today provide affordable alternatives to single-family houses in many older U.S. cities were never developed in Seattle. Another factor is that single-family housing was relatively affordable in the Seattle area prior to the late 1970s. As a result, the demand for and need for alternatives to single-family homes was relatively low.

B. Residential Development Capacity

Seattle, as of 1994, has an estimated unused zoned residential development capacity of 101,520 new units (see Housing Figures A-3 and A-4). At the time the capacity figure was developed Seattle had 252,748 housing units, so the total housing stock would be about 354,268 housing units if all this capacity were used.

Residential development capacity includes vacant land in residential zones, underutilized sites in residential zones, some of the vacant land in commercial zones, and some of the underutilized sites in commercial zones. Underutilized sites are sites where the existing developed density is low compared to the allowed developed density, or where the value of the improvements on the site is low compared to the value of the land.





Housing Figure A-4

City of Seattle Unused Residential Development Capacity, 1994

| Land Use Zones | Unused Residential Development Capacity (units) | Percent Share |
|------------------------------|---|---------------|
| Single-Family | 4,510 | 4.4% |
| Multifamily Low Density | 16,560 | 16.3% |
| Multifamily Moderate Density | 21,200 | 20.9% |
| Multifamily High Density | 8,320 | 8.2% |
| Neighborhood Commercial | 26,490 | 26.1% |
| Downtown | 24,440 | 24.1% |
| Total | 101,250 | 100.0% |

Source: City of Seattle Planning Department, 1994

C. Residential Development Trends

During the 1980s Seattle averaged a net addition of 2,460 residential units per year, according to City permit records. Development activity increased in the second half of the decade, with an average of 3,294 units permitted per year in the years 1987, 1988 and 1989. Twenty percent of the units were built in single-family zones. Strong demand for single-family housing continues to encourage infill on existing vacant lots, redevelopment of existing lots and short-platting of larger parcels. Eighty percent of the new residential development was multifamily housing in Multifamily, Commercial and Downtown zones. The proportion of housing built in neighborhood commercial zones increased during the last three years of the decade, reflecting strong demand for multifamily housing and the less restrictive land use regulations in Neighborhood Commercial zones.

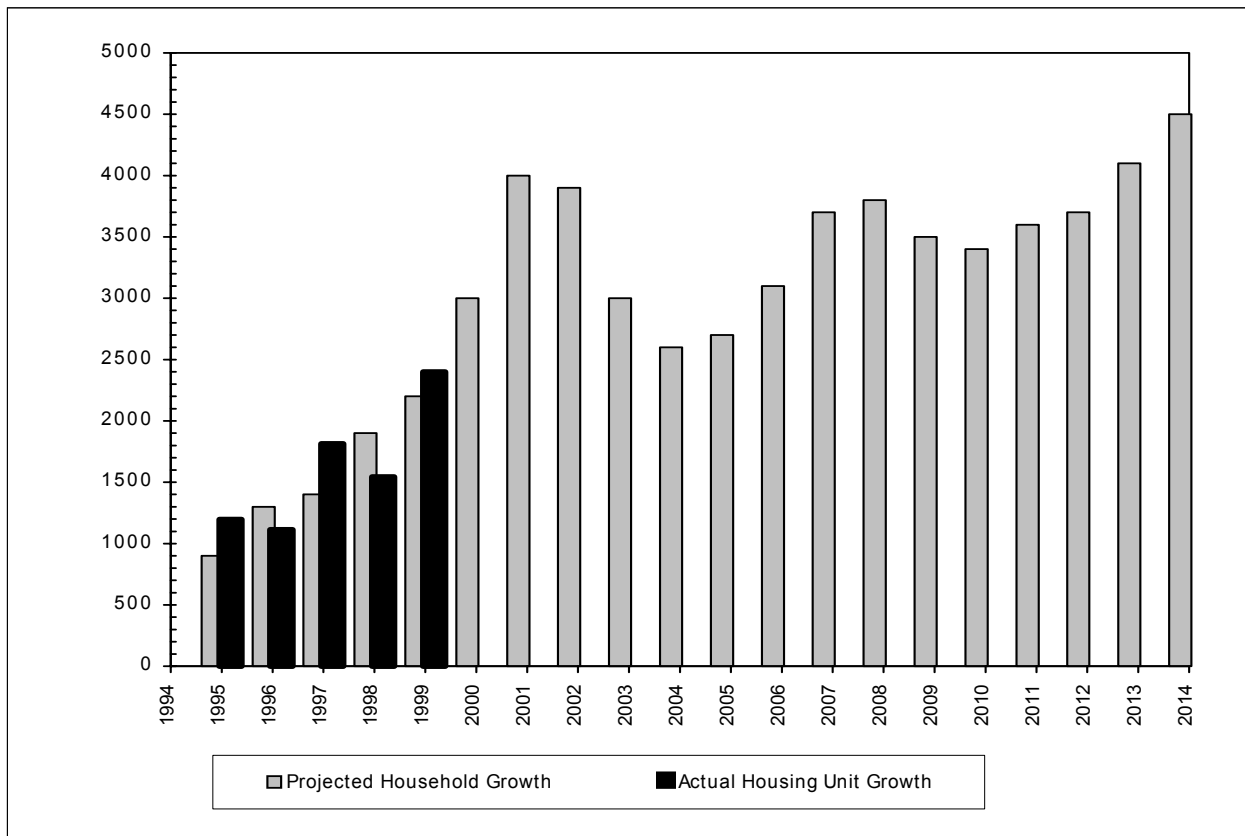
During the 1990s housing development activity continues to increase. Between September 1994 and the end of 1999, the City's housing supply increased by approximately 7,900 new dwelling units. As of July 2000, there were active permits for approximately 6,600 additional dwelling units, including those currently under construction. Twenty percent of the units were built in single-family zones, showing a continuing strong demand for single-family housing. Eighty-one percent of permits for housing development are for buildings in urban centers and villages, which are largely made up of Multifamily, Commercial and Downtown zones. Annual housing unit growth in 1999 was higher than any year since 1991. Annual housing unit growth in 1999 was 50% higher than growth in 1994.

The Comprehensive Plan twenty year housing target is 50,000 to 60,000 dwelling units. The City needs to average 3,150 units per year in order to meet this target. Average annual production will need to be higher in coming years than is has been in the past five (see Housing Figure A-5).





Housing Figure A-5
Annual City of Seattle Housing Growth



D. Housing Prices and Rents

Both single-family home values and residential rents increased faster than household incomes and inflation during the 1980s). Adjusted for inflation, Seattle home prices increased by 38 percent and residential rents by 19.5 percent (U.S. Census) during this time period. Over the same period, median household incomes increased by 8.5 percent in real terms, while per capita incomes increased by 18.5 percent

late-80s, and the 90s led to significant increases in immigration into the region, which in turn led to rapid increases in house prices due to an imbalance between supply and demand. Real house prices have tended to decline during periods of recession or economic stagnation. However, the overall trend has been for single-family home prices to increase faster than inflation and incomes.

Housing prices over the last forty years have been heavily influenced by the growth cycles in the regional economy. Periods of rapid economic growth in the mid-60s, late-70s,





During the latter half of the 1990s in Seattle, the median sales price of a single family home increased by 50% from \$160,000 in 1995 to \$240,000 in 1999, and the median sales price for condominiums increased by 43% from \$123,000 to \$175,000 over the same five year period. In the last year alone, the median sales price for both condominiums and single family units for all of King County increased by 11% to \$222,625. Citywide, average rents for all units increased by 26% from \$599 in 1995 to \$756 in 1999. For Downtown only, average rents increased by 40% from \$662 in 1995 to \$928 in 1999 (for all units). For Capitol Hill/Eastlake, average rents increased by 28%; in West Seattle, rents increased by 23%.

According to the U.S. Department of Housing and Urban Development, median family income has increased by 24% from \$52,800 to \$65,800 in the Seattle Metropolitan Area. Applying these income figures to the housing sales price information above gives an indication of housing affordability. For a moderate-income household (\$25,000 - \$40,000/year) in Seattle, only about 7% of single family home sales were affordable (for the period 4/98 – 3/99). In Downtown, 60% of condominium sales were affordable only to households earning above 120% of median income. In 1999, 34% of non-subsidized rental units in Seattle were affordable to households earning 30 – 50% of median income, and 58% of rental units were affordable at 50 – 80 % of median income. The minimum annual income needed to afford the average rent (for all units) in 1995 was \$23,940 and for 1999, \$30,192.

The overall vacancy rate in the City of Seattle in 1990 was 4.9 percent. The vacancy rate for single-family units was 3.2 percent and the rate for multifamily units was 6.9 percent. Rental vacancy rates in the Seattle area have been relatively low over the past decade.

E. Housing Preferences

The Housing Element of the Comprehensive Plan balances the objectives of enabling people to live in the kind of housing they prefer and other competing goals and needs such as the need to use land in an environmentally sound manner, the need to create cities that can be effectively served by transit, and the need to provide people with housing they can afford.

Most Americans express strong preferences for living in single-family houses. National surveys typically find that single-family houses are the preferred housing type for about 80 percent of American households. While it may be possible for 80 percent of households to live in single-family houses in small towns and rural areas, this percentage would be unrealistic to achieve in a major city like Seattle, where land prices are high. Seattle and other jurisdictions can accommodate the number of people wanting to live here by enabling a portion of the housing stock in the form of higher-density multifamily housing.





In 1970, 73 percent of the households in King County lived in single-family houses. By 1990 this percentage had dropped to about 64 percent, and over the next twenty years it is likely to drop further. The City has zoned land for a wide variety of housing types to try to ensure that the greatest proportion of households possible can find acceptable and appropriate housing with characteristics they desire. This is what this plan attempts to do, through the combined policies of the land use and housing elements.

What sort of housing should the City encourage, acknowledging that there is very little land left for new single-family housing and that the price of single-family housing is too high for many households? The City of Seattle/Puget Sound Regional Council Residential Preference Study (December 1993) shows that, if housing type is the only attribute of housing and neighborhood considered, then housing consumers tend to prefer ground-related housing types, such as townhouses and duplexes, if single-family houses are not available or are too expensive. This type of housing shares many of the attributes of single-family housing, such as yard space and privacy, but uses much less land than single-family housing.

However, the Residential Preference Study also reveals that for a significant share of the regional housing market, higher density condominiums and apartments are also a competitive alternative if they are well designed and built, and are located in attractive neighborhoods with amenities and services. An executive summary of the findings of the Residential Preference Study may be found in Housing Appendix B.

2. ASSISTED HOUSING STOCK

The City's 2001 – 2004 Consolidated Plan contains detailed information that is summarized here.

A. Assisted Housing Stock

Publicly-assisted housing is housing that is either owned and operated by government, or housing owned by private parties or nonprofit organizations that is affordable to low-income or special needs households as a result of government subsidies. Assisted low and moderate-income housing in Seattle currently accounts for about 10 percent of Seattle's total housing stock -- 28,142 assisted units out of 269,128 total units. The greatest share of Seattle's assisted housing stock is owned and/or managed by the Seattle Housing Authority (SHA). Other agencies which produce housing include the City's Office of using a number of funding sources including from the federal, state, county and local sources.

B. Location of Assisted Housing

The existing distribution of assisted housing in the City of Seattle is uneven (see Housing Figure A-7). Some neighborhoods, such as Downtown, the Central Area and parts of Southeast Seattle have high concentrations of assisted housing, in some cases over 25 percent of all housing units in the area. A number of factors have contributed to the existing pattern including: the location of large public housing projects; lower property values (and therefore lower production costs) in many of the areas with high concentrations; the tendency to locate subsidized housing in areas where potential residents currently live and where human services are available; and community resistance to subsidized housing in many parts of the city.





C. Funding for Low-Income Housing

Funding for the production and preservation of low-income housing comes from numerous sources, including federal, state, county and local sources. Historically the federal government has been the primary funding source for low-income housing, supporting most of the housing currently owned and operated by the Seattle Housing Authority. In the early 1980's federal funding for housing production was significantly reduced, requiring the City and the State to assume a greater role in funding low-income housing.

In 1981 the citizens of Seattle passed a \$50 million senior housing bond issue, and in 1986 Seattle voters approved a \$50 million low-income housing levy. Funds from the senior housing bond issue were fully committed by the mid-1980s and funds from the low-income housing levy were fully committed by 1994. In 1995, Seattle voters approved a \$59.211 million property tax levy to provide seven years of funding for housing preservation and production. The City expects to work to renew the housing levy when it expires in 2002.





Housing Figure A-6

City of Seattle Assisted Housing Inventory, 1993

| Category | Total | SRO | 0,1 bdrm | 2 bdrm | 3+bdrm |
|----------------------------------|---------------|--------------|---------------|--------------|--------------|
| Project Based Assistance: | | | | | |
| SHA Public Housing | 6,927 | - | 3,741 | 1,801 | 1,385 |
| SHA Other Housing | 1,493 | - | 1,113 | 86 | 294 |
| Federally Subsidized* | 4,942 | 1,513 | 3,026 | 257 | 146 |
| DHHS Multifamily** | 4,593 | 1,254 | 2,682 | 516 | 141 |
| State Housing Program (HAP) | 582 | 19 | 410 | 137 | 16 |
| State Housing Bonds (WSHFC) | 290 | 9 | 203 | 70 | 8 |
| Federal Tax Credits (WSHFC) | 3,436 | 104 | 2,405 | 824 | 103 |
| Subtotal | 22,263 | 2,899 | 13,598 | 3,691 | 2,087 |
| Tenant Based Assistance: | | | | | |
| Section 8 Certificates | 2,590 | - | 829 | 958 | 803 |
| Section 8 Vouchers | 891 | 53 | 285 | 277 | 276 |
| Subtotal | 3,481 | 53 | 1,114 | 1,235 | 1,079 |
| Home Purchase Assistance: | | | | | |
| HomeSight Program*** | 50 | - | - | - | 50 |
| Total Units Assisted | 25,794 | 2,952 | 14,712 | 4,826 | 3,211 |

Notes:

* Federally Subsidized projects include Section 8 (project based) Certificates, Section 202 Elderly, Section 811 Disabled, 221(d)(3), and 221(d)(4) projects.

** Levy Trust Fund assistance is included in the DHHS project based assistance count above.

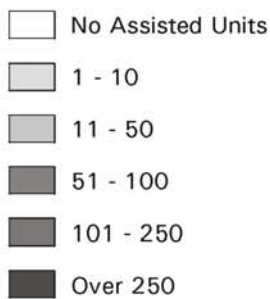
*** Resale restrictions tied to deferred interest on 2nd Trust Deed.

Source: Seattle Department of Housing and Human Services, 1994. Totals may differ from those in the City of Seattle's 1994 CHAS due to different criteria used.



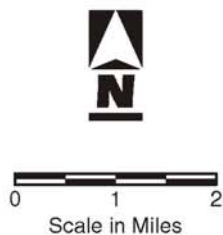


Housing Figure A-7 Assisted Housing Units per 1,000 Total Housing Units, by Census Tract, 1992



City Overall = 67.2

Source: City of Seattle Assisted
Housing Database 1992, and
1990 U.S. Census



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3. WHO ARE WE PLANNING FOR? -- SEATTLE'S HOUSEHOLD AND POPULATION TRENDS

The characteristics of the U.S. population have changed tremendously since the 1950s. The population is aging, households have become smaller and more diverse, and birth rates have dropped. The Seattle metropolitan area has not been immune to these changes. Both Seattle and King County have been following the national trends.

Since 1960, married couples with children in Seattle have declined by over 50 percent, from 65,106 households in 1960 to 31,624 households in 1990 (see Housing Figures A-8 and A-9). At the same time the number of single-parent families with children, single-person households and households with unrelated persons living together have all increased. Households composed of single parents with children have increased by over 100 percent from 7,648 in 1960 to 15,736 in 1990. Single-person households, which were not counted separately until 1980, have increased by 14 percent from 83,799 in 1980 to 94,179 in 1990. Households with unrelated persons living together have increased by 41 percent from 21,006 in 1980 to 29,554 in 1990. During the 1990s these trends have continue and are expected to continue during the life of the Comprehensive Plan.

In Seattle today, families composed of married couples with children account for only 13.4 percent of all households, and only 20 percent of all households include children (see Housing Figure A-8). About 40 percent of the city's households are single-person households, 12.5 percent are households with two or more

unrelated persons, and 6.7 percent are single-parent households.

Seattle's average household size has declined from 2.7 persons per household in 1960 to 2.09 in 1990. This decline in average household size is again a national and regional phenomenon, and is not unique to Seattle.

Similar trends are occurring in King County as a whole. For example, the percentage of households with children in King County declined from 46 percent in 1960 to only 30 percent in 1990 (see Housing Figure A-10).

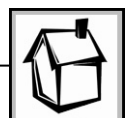
These trends of increasing diversity of household types and smaller households are expected to continue over the next twenty years, for the nation, and for Seattle and King County. The demographic forecast for Seattle is discussed in greater detail under "Future Housing Needs" below.





Housing Figure A-8 (a)
Seattle Households by Household Type, 1960-2010

| Household Type | 1960* | 1970* | 1980 | 1990 | 2000 | 2010 | 1990 - 2010 | 2010 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|-------------|----------|
| | | | | | | | Change | % Change |
| Single Person | | | 83,799 | 94,179 | 108,309 | 121,880 | 27,701 | 29.4% |
| Family: Married with child | 65,106 | 49,140 | 32,430 | 31,776 | 36,500 | 35,097 | 3,321 | 10.5% |
| Family: Married without child | 59,040 | 63,310 | 56,073 | 53,070 | 59,071 | 60,019 | 6,949 | 13.1% |
| Family: Single with child | 7,648 | 10,916 | 15,063 | 15,853 | 17,964 | 19,371 | 3,518 | 22.2% |
| Family: Single without child | 10,722 | 9,934 | 10,557 | 12,270 | 14,998 | 17,941 | 5,671 | 46.2% |
| Non-family: 2+ persons with child | | | 1,078 | 882 | 1,171 | 1,194 | 312 | 35.4% |
| Non-family: 2+ persons without child | | | 20,558 | 28,672 | 33,183 | 41,199 | 12,527 | 43.7% |
| Total | 200,577 | 206,092 | 219,469 | 236,702 | 271,196 | 296,701 | 59,999 | 25.3% |





Housing Figure A-8 (b)

Households by Type - Percentage Distribution

| Household Type | 1960* | 1970* | 1980 | 1990 | 2000 | 2010 |
|--------------------------------------|-------|-------|------|------|------|------|
| Single Person | | | 38.1 | 39.8 | 39.9 | 41.1 |
| Family: Married with child | 32.5 | 23.8 | 14.8 | 13.4 | 13.5 | 11.8 |
| Family: Married without child | 29.4 | 30.7 | 25.5 | 22.4 | 21.8 | 20.2 |
| Family: Single with child | 3.8 | 5.3 | 6.9 | 6.7 | 6.6 | 6.5 |
| Family: Single without child | 5.3 | 4.8 | 4.8 | 5.2 | 5.5 | 6.0 |
| Non-family: 2+ persons with child | | | 0.5 | 0.4 | 0.4 | 0.4 |
| Non-Family: 2+ persons without child | | | 9.4 | 12.1 | 12.2 | 13.9 |

Persons Per Household

| 1960 | 1970 | 1980 | 1990 | 2000 | 2010 |
|------|------|------|------|------|------|
| 2.70 | 2.48 | 2.14 | 2.09 | 2.03 | 1.93 |

* Prior to 1980, the census reported data for families with own child, as opposed to any child.

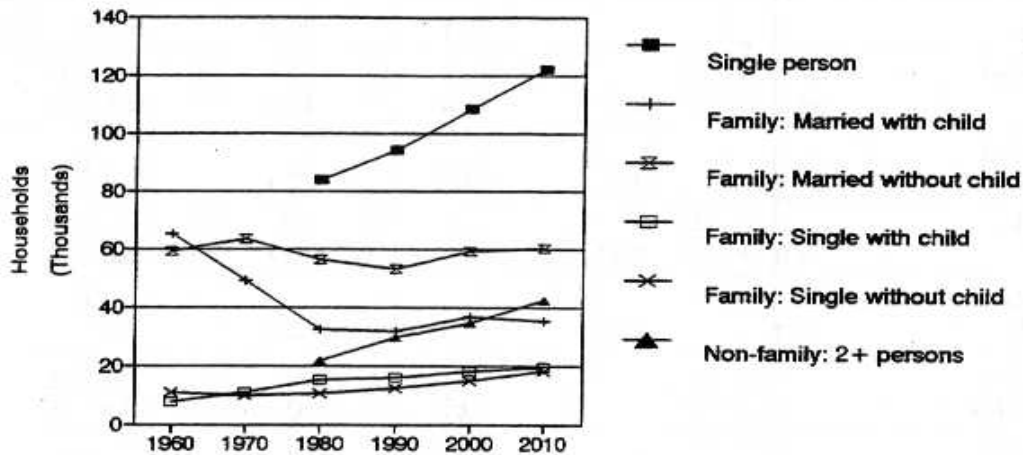
Source: U.S. Census of Population and Housing, 1990; Puget Sound Regional Council; Seattle Planning Department, 1992.





Housing Figure A-9

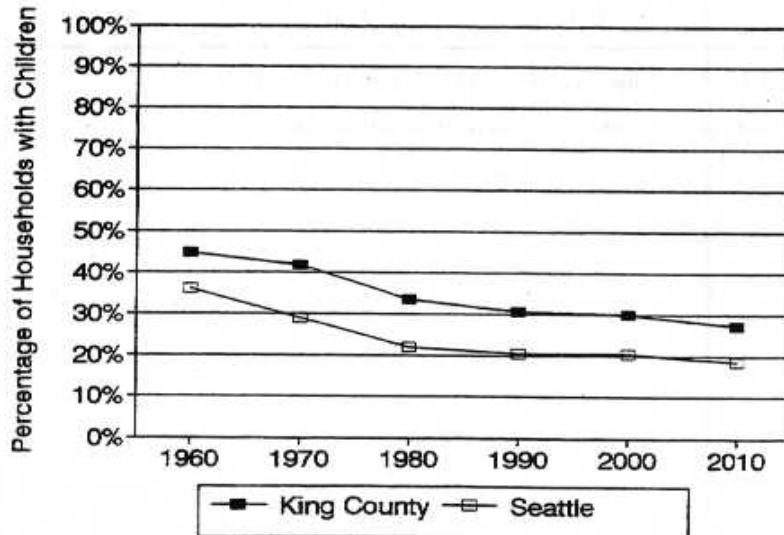
Household Type Trends in Seattle, 1960-2010



Sources: U.S. Census Of Population and Housing and
City of Seattle Planning Department

Housing Figure A-10

**Percentage of Households with Children
Seattle and King County 1960-2010**



Source: U.S. Census of Population and Housing; Seattle Planning Department 1994





4. EXISTING AND FUTURE HOUSING NEEDS

According to the census, the City has over 60,000 low-income households that meet the federal definition of households in need of assistance with the cost of housing -- about one quarter of the total number of households in the city. Over the next twenty years, forecasts developed by the Strategic Planning Office (SPO) show that, under existing trends, about a quarter of the net new households in Seattle will be low-income households unable to afford the cost of the new market rate-housing built to accommodate growth.

A. Existing Housing Needs

Estimates of housing need are based on several measures available from the Census of Population and Housing. These include: the number of low-income households that spend more than 30 percent of their income for housing; the number of households living in overcrowded conditions; the number of households living in substandard conditions; and the number of homeless households. In addition to these quantitative measures, there are many special housing needs (such as persons with physical disabilities and refugees) that are more difficult to quantify. Some households with special needs are probably counted in the needs estimates from the census. Others may not appear as needy in the census data, but are housed in housing that is inappropriate or are unable to obtain critical housing support services.

Assessments of housing need are usually limited to the section of the population that is determined to be low-income. The federal low-income household definition is 80 percent of the area median income. Very low-income households have incomes below 50 percent of

median income. While households with higher incomes may also have difficulty in affording housing or may not be able to purchase the kind of housing they desire, these households are assumed to have more options and alternatives than low-income households.

The above federal definitions of low-income housing can cause problems in communicating with the general public about low-income housing issues. Often members of the public perceive that all low-income housing is intended for households receiving public assistance. In fact, many low-income and very-low-income households are headed by persons who are employed in jobs that pay a low or modest wage. Some of these households might be very surprised to discover that they are considered low-income.

1) Households Paying Too Much for Housing

According to the 1990 Census of Population and Housing, the City of Seattle has 60,189 households with incomes of below 80 percent of the King County median income and paying over 30 percent of their income for housing costs (see Housing Figure A-11). This amounts to 25 percent of the City's households. Of these, 46,659 households had incomes under 50 percent of the King County median income.

Most of the households that pay too much of their income for housing are renters. Seattle has 47,855 low-income renters paying more than 30 percent of their income for housing, meaning that about 40 percent of all renter households living in the city are paying too much for housing. Detailed demographic analysis of households in need of assistance is presented below.





A number of caveats need to be raised about determining housing needs through census data. The City is using census data and standard definitions of low-income households in need in order to be consistent with federal requirements, the Growth Management Act procedural criteria, and other jurisdictions in King County planning under the Countywide policies. However there are reasons to believe that the census data overstates real need in a number of ways:

household incomes reported in the census seem low compared to other more reliable sources -- this would tend to distort the number of households that are paying over thirty percent of their income for housing. Recent census department studies have shown that some households that are already living in assisted housing still show up as paying more than 30 percent of their income for housing, because they report their income incorrectly. Also it appears likely that many households that receive food stamps fail to report this as income.

some households in the 50 to 80 percent of income category, particularly single-person households, may be able to find more affordable housing but choose not to do so.

some elderly homeowners are "house rich and cash poor" -- they might not need assistance if they chose to sell their homes and rent.

2) Overcrowding

A second measure of housing need is overcrowding. The federal government considers a household to be living in overcrowded conditions when the number of persons per room exceeds 1.0. In 1990, 8,829 Seattle households were living in overcrowded conditions, amounting to 3.7 percent of all households. Most of these households are also low-income, and are therefore included in the figures for households overpaying for housing.





Housing Figure A-11

Measures of Housing Need in Seattle, 1990

| 1. Households paying too much of their income for housing. These are defined as households whose income is below 80 percent of King County's median household income, and who are paying more than 30 percent of their income for housing. | | | | |
|--|----------|----------|---------|---------------------------------------|
| Housing Cost as Percentage of Income | | | | |
| Income* | 0% - 30% | Over 30% | Total | Percent of Households Paying Over 30% |
| 0-30% | 10,022 | 29,224 | 39,246 | 74.5% |
| 30%-50% | 14,641 | 17,435 | 32,076 | 54.4% |
| 50%-80% | 32,666 | 13,530 | 46,196 | 29.3% |
| Subtotal | 57,329 | 60,189 | 117,518 | 51.2% |
| 80%-100% | 20,339 | 5,526 | 25,865 | 21.4% |
| Over 100% | 87,637 | 5,682 | 93,319 | 6.1% |
| Total | 165,305 | 71,397 | 236,702 | 30.2% |
| NOTE: Total Households overpaying = 60,189 (25.4% of total households). | | | | |
| *Income is defined as a percentage of King County's median household income, which was \$36,179 in 1990. | | | | |

| 2. Overcrowding. This includes all households with more than one person per room. | | |
|---|------------|------------------|
| Persons per room | Households | Percent of Total |
| 1.00 or less | 227,873 | 96.3% |
| More than 1.00 | 8,829 | 3.7% |
| Total | 236,702 | 100.0% |

| 3. Households lacking complete plumbing facilities. | | |
|---|------------|------------------|
| Plumbing Facilities | Households | Percent of Total |
| With complete facilities | 235,319 | 99.4% |
| Lacking complete facilities | 1,383 | 0.6% |
| Total | 236,702 | 100.0% |

| | |
|---|--|
| 4. Homeless Populations | |
| The City of Seattle estimates that there are 3,800 - 4,300 homeless persons per night in Seattle, based on information from shelter providers (1993). | |

Source: U.S. Census of Population and Housing - 1990, City of Seattle Planning Department, 1993.





3) Substandard Housing

Households living in substandard housing is another measure of housing need. The Census of Population and Housing evaluates housing condition by the lack of complete plumbing facilities. Less than 1 percent of Seattle housing units are substandard on this measure. While forty years ago the lack of complete plumbing facilities was a useful measure of housing condition (a significant percentage of units did not have complete plumbing facilities), this measure is almost irrelevant to Seattle in the 1990s.

Recent surveys of housing condition conducted by the City of Seattle indicate that Seattle generally has a well-maintained housing stock (City of Seattle Department of Community Development: Seattle Housing Condition: 1989 Survey and Trends). The survey evaluated a 10 percent sample of Seattle's housing units, rating buildings based on their exterior appearance. The scoring system used ranked structures on a scale of 1 to 4, where: 1 = sound; 2 = basically sound; 3 = deteriorated; and 4 = dilapidated. The overall average score was 1.68 with almost all units surveyed (98.6 percent) having no defects or only minor maintenance defects.

While appearing to be sound from outside, residential buildings often have code violations. The pilot study for Seattle's Rental Housing Inspection Program found that about ten percent of the city's housing in buildings with three or more units had code violations serious enough to warrant intervention by the City.

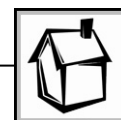
4) Homelessness and Special Populations

A fourth component of housing need is the homeless population. The homeless were enumerated in the 1990 census as part of the

"group quarters population", and were therefore not counted in the household data used to determine households in need of assistance. In January 1993, the City of Seattle estimated that on any given night there are an average of between 3,800 and 4,300 homeless persons in the city. This estimate was developed from data collected by homeless shelter providers.

In addition to households that need housing assistance solely for income-related reasons, there are a number of special populations whose need for housing and housing-related services is not met by the private market. These groups include: the frail elderly; single-parent families; persons with physical disabilities; substance abusers; persons with mental illness; persons with AIDS; refugees; victims of domestic violence; and runaway and parenting youth. The homeless population is also considered a special needs group. Homelessness is a complex problem that is only partially related to the cost or availability of housing. Other contributing factors include: increases in the number of families and individuals in poverty or at risk of poverty; lack of adequate treatment and support services for people who are alcoholic, chemically-dependent, or mentally ill; family instability from drug abuse and related activities; and domestic violence.

Some of these groups need specific types of housing that are unavailable or in short supply in the existing housing stock. For example, people with physical disabilities need affordable housing that is physically accessible. Other special needs groups, such as single-parent families, need specific services, such as affordable child care and job training and placement, along with affordable housing.





Needs which have been identified by the City as most critical are transitional housing and support for homeless families and individuals (especially youth) and persons with AIDS, and long-term housing and community support services for families and persons with seriously disabling conditions, including chronic alcoholism, chronic mental illness, developmental disabilities, and physical disabilities. The provision of services and support in conjunction with housing built for special populations is essential. The provision of housing alone is often insufficient to solve the problem.

Quantifying the number of special needs households needing assistance and reconciling these figures with data on low-income households in need is difficult. Because many of the households with special needs are also low-income households, many are already counted in the estimates of low-income households in need of assistance obtained from the Census. A more complete discussion of special needs households, including estimates of the number of households in some of the categories, may be found in the City's 2001-2004 Consolidated Plan.

5) Detailed Demographic Characteristics of Households in Need

A more detailed analysis of housing need is possible through statistical cross-tabulations produced from 1990 census data available through the Public Use Micro Sample (PUMS). For this section of the needs analysis, households in need were defined as households with incomes of less than 80 percent of the area median income, who were paying more than 30 percent of their income for housing cost or were living in overcrowded conditions (more than 1 person per room). The total

number of households determined to be in need through this measure in 1990 was 61,704.

a) Housing Need by Household Size

Most Seattle households in need of assistance are small households. Over half of Seattle's households in need are single-person households, and nearly 80 percent are households of two or less. The neediest households also tend to be very small. Most of the city's households in need that have extremely low-incomes (below 30 percent of the area median income) are single-person households.

b) Housing Need By Income Level

Most low-income households in need in Seattle have very-low-incomes. Over 75 percent have incomes below 50 percent of median and 44 percent have incomes of less than 30 percent of median income. Many of these households are spending very high percentages of their income on housing. Nearly half of low-income households in need spend over 50 percent of their income on housing, while 25 percent spend over 70 percent of their income on housing. For these households, most of whom earn less than 30 percent of median income, the cost of housing seriously impairs their ability to meet other expenses, such as food, utilities and transportation.

c) Housing Need by Household Type

Household types in need of assistance with housing costs are diverse, reflecting the full range of households living in Seattle. Over half of the households in need (57.5 percent) are single people. Of these, over half (or 30.9 percent of the total) are single people under the age of 62 with no disabilities. Households with children account for 19.4 percent of





households in need, a share that is about the same as the percentage of all households in Seattle that have children.

The type of housing assistance needed varies by household type:

Single persons:

The largest subgroup of households in need--about 31 percent -- are single persons below the age of 62 with no disabilities. These individuals could be housed in studio or one-bedroom housing units.

Single persons with disabilities comprise approximately 7 percent of households in need. Some members of this group are mobility impaired, and require physically accessible housing; others have limitations on the amount or type of work they can do, or need assistance with personal care. Housing needs vary by type of disability.

Single-persons over 62 years of age comprise nearly 20 percent of households in need, with more than three-quarters of these being female. However, 34 percent of these elderly households (6.6 percent of the total) are "house-rich and cash-poor." This means they are living in owner-occupied homes, but have very limited incomes in relation to the cost of mortgage payments, property taxes, insurance and maintenance. These homeowners could benefit from legal accessory units, the existing senior property tax deferral, or reverse annuity mortgages.

Couples With Children:

Two-parent families with children represent nearly 9 percent of households in need. These

households need units with at least two bedrooms, and may need as many as five, depending on age and sex of the children. These families also need access to secure outdoor play space.

Single Parents With Children:

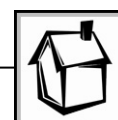
Over 10 percent of households in need are single-parent households, and most of these are headed by a female. These households require units with between two and five bedrooms, and may have a stronger need for proximity to day care, in addition to the need for secure outdoor play space.

Couples Without Children:

Married and unmarried couples who do not have children make up over 11 percent of households in need. This group includes elderly couples. One bedroom units would accommodate these households.

Adult Group Households:

Accounting for 11.5 percent of households in need, these households are composed of groups of two or more adults, none of whom are partners. Each household member typically requires his or her own bedroom. Housing Figure A-12 below provides a summary of the type of units needed by household type. These figures do not necessarily represent new housing units that the City needs to build. Households in need can be served through existing housing that is acquired and rehabilitated by non-profit organizations or public development authorities, or through certificates or vouchers that can be used to pay for housing available in the private market.





Housing Figure A-12

**City of Seattle Existing Housing Need -
Size of Housing Units Needed**

| | Support Package* | Studio | One-Bedroom | Two-Bedroom | Three-Bedroom | Four + Bedroom |
|---|------------------|---------------|--------------|---------------|---------------|----------------|
| Single Persons | 4,100 | 30,700 | | | | |
| Couples without Children and Adult Groups | | | 4,700 | 4,800 | 1,800 | 350 |
| Households with Children ** | | | | 7,350 | 3,750 | 570 |
| TOTAL | 4,100 | 30,700 | 4,700 | 12,150 | 5,550 | 920 |

* A support package could include repairs, weatherization or other rehabilitation assistance which allows a homeowner to remain in his or her home. In some cases, installation of an accessory unit would be appropriate.

** For purposes of analyzing the numbers of bedrooms needed for households with children, all were assumed to be between the ages of 5 and 18, and equally distributed between males and females.

Source: 1990 U.S. Census of Housing and Population, Public Use Micro-Sample (PUMS)

Another indicator of the type of households most in need of assistance is the Seattle Housing Authority waiting list for subsidized housing. This data can be misleading because some households, such as single non-elderly households with no disabilities, are ineligible for public housing. In 1993, a total of 12,627 households were on the waiting list. Of these, over half (6,769) were small family households needing two and three bedroom units. The large number of families on the waiting list reflects past success in developing small units for the elderly and disabled, and the fact that most of the Seattle Housing Levy funds allocated to build small family units are among the last to be spent, meaning that many new units for small family units will be built over the next two years.

B. Future Housing Needs

Future housing needs will reflect the amount of residential growth the City will accommodate over the next twenty years and expected demographic changes.

Income forecasts developed by SPO show that, under existing trends, about a quarter of the additional 50,000 to 60,000 households the City has targeted to add in the next 20 years will be low-income households unable to afford the cost of the new market-rate housing built to accommodate growth (see Housing Figure A-13). Some of these new households may be able to afford older existing housing units available in Seattle. However, Seattle's existing low-cost housing is already occupied by our current low-income households. These





households are also unable to afford the cost of the new market-rate housing.

The demographic forecast prepared for this plan predicts a continuation of trends that have been evident over the past twenty years. The average household size is expected to continue to decline but at a slower rate than in the past. Household sizes are expected to drop from 2.09 in 1990 to 1.93 in 2010. The mix of household types is expected to continue to change, with families with children declining as a percentage of all households, and single-person households and non-family households with two or more people increasing their proportion (see Housing Figure A-8). Single-person households are predicted to account for 46 percent of the net added households over the next twenty years, while another 21 percent will be non-family households with two or more persons. National forecasts are predicting big increases in the numbers of elderly single people and single adults over the age of 45. Only 12 percent of the new households are expected to include children.

Changing housing needs related to age are revealed by the population forecast by age (see Housing Figure A-14). Significant numbers of people will be moving into the 45 to 64 age cohort over the twenty years, possibly indicating an increase in demand for smaller housing units and for different types of housing. Another important expected change is the increase in the number of elderly people over 85 years old. The number of people 85 years or older will increase by 80 percent over the next twenty years, reflecting increasing life expectancy. More frail elderly people will mean

an increase in demand for assisted living or congregate-care facilities, and housing support services that allow the elderly to live independently.

The small percentage of future Seattle households that are expected to have children, and the growing numbers of "empty-nesters", other couples without children and single-person households, have significant implications for City land use policy over the next twenty years. Given consumer preferences for ground-related housing, demand for small-lot single-family houses, townhouses, small cottages, and condominium units in small buildings is expected to increase. In addition, a growing number of households will likely be interested in converting a portion of their homes into an accessory housing unit.





Housing Figure A-13

**Income and Housing Demand of Net Added Households:
City of Seattle, 1990 - 2010**

| Income Group (\$ thousands)* | Added households 1990 - 2010 | Affordable Monthly Payment (\$) ** | New Housing Demanded *** |
|---------------------------------|------------------------------------|---------------------------------------|---|
| 0-5 | 278 | 0-125 | subsidized rental units |
| 5-10 | 3,199 | 125-250 | |
| 10-15 | 3,779 | 250-375 | |
| 15-20 | 4,678 | 375-500 | |
| 20-25 | 5,426 | 500-625 | |
| Subtotal | 17,360 | | |
| 25-30 | 5,009 | 625-750 | small to average rental units; |
| 30-40 | 4,689 | 750-1000 | small owner-occupied units |
| Subtotal | 9,698 | | |
| 40-50 | 4,064 | 1000-1250 | small to average owner- occupied units, larger rental units |
| 50-60 | 5,591 | 1250-1500 | |
| 60-75 | 6,298 | 1500-1875 | |
| Subtotal | 15,953 | | |
| 75-100 | 7,658 | 1875-2500 | large owner-occupied units |
| 100+ | 9,125 | 2500+ | |
| Subtotal | 16,783 | | |
| Total | 59,794 | | |

* All data are in constant 1989 dollars

** Because the income forecast indicates that real household income will increase 12.9 percent over the 20 year period, and because housing prices tend to increase commensurately with incomes, real housing prices in 2010 will probably be 10 to 15 percent higher than today

*** This column is included to illustrate the range of likely housing demand attributable to net growth. The housing market is much more complex than shown here. Housing units vary significantly in price depending on size, type, location, and construction quality. Housing consumers vary in the amount of equity they have available, which affects their ability to purchase housing.

Source: City of Seattle Planning Department 1992

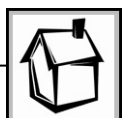




Housing Figure A-14
Seattle Population by Age 1960 - 2010

| Age | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 1990 - 2010 | |
|---------|---------|---------|---------|---------|---------|---------|-------------|----------|
| | | | | | | | Change | % Change |
| 0 - 4 | 51,946 | 34,994 | 24,235 | 29,269 | 28,272 | 26,019 | -3,250 | -11.1% |
| 5 - 15 | 99,850 | 83,903 | 50,707 | 47,701 | 58,659 | 53,201 | 5,500 | 11.5% |
| 16 - 24 | 66,712 | 95,813 | 89,268 | 70,203 | 66,698 | 80,037 | 9,834 | 14.0% |
| 25 - 34 | 66,277 | 67,315 | 106,595 | 112,098 | 93,672 | 91,531 | -20,567 | -18.3% |
| 35 - 44 | 76,922 | 50,655 | 49,028 | 93,285 | 113,872 | 90,801 | -2,484 | -2.7% |
| 45 - 64 | 128,583 | 128,499 | 97,839 | 85,303 | 119,912 | 150,727 | 65,424 | 76.7% |
| 65 - 84 | 63,146 | 63,554 | 68,120 | 69,129 | 70,475 | 79,223 | 10,104 | 14.6% |
| 65+ | 3,651 | 6,098 | 8,054 | 9,271 | 12,961 | 16,710 | 7,439 | 80.2% |
| Total | 57,087 | 530,831 | 493,846 | 516,259 | 564,521 | 588,259 | 72,000 | 13.9% |

Source: U.S. Census of Population and Housing, 1990; Puget Sound Regional Council; Seattle Planning Department.





Appendix B: Residential Preference Study Executive Summary

Abstract

Metropolitan growth management, with its regional environmental and fiscal benefits, depends on making existing cities better places to live than new suburbs. The Residential Preference study explores the conditions under which people would choose to live in a dense city neighborhood instead of a suburb. Modern municipal and state approaches to growth management, focusing on land use regulation and transit, will increase the attractiveness of cities. Improving the quality of life in cities in ways not encompassed in most current growth management planning, such as reducing crime, increasing school quality, and increasing community, would also contribute to regional growth management.

Introduction

The City of Seattle is preparing a comprehensive plan to meet the requirements of the Washington Growth Management Act. Urban villages will play a major role in this plan. Urban villages are conceived as well identified and largely self-contained residential and commercial neighborhoods in the central city. Residential densities in urban villages would be high enough to encourage walking, support efficient transit service, and provide adequate markets for neighborhood stores. Existing and new urban villages would accommodate most or all the population growth planned for Seattle in the next 20 years.

While this plan was being prepared, questions arose about the viability of urban villages. How can we attract people to live in urban villages? In particular, how can we compensate for the perceived disadvantages of density? How many people will be attracted to urban villages? Who will they be? To answer these questions, the Seattle Planning Department and the Puget Sound Regional Council have been conducting a study of the residential preferences of people in King County, Washington.

Method

The method of the study was analogous to market research for new product development. The study had three empirical phases. The first phase was a telephone survey of 600 residents of Seattle and the rest of King County. The purpose of this survey was to determine the features of a house and a neighborhood that are most important to people. The second phase was a series of focus groups with respondents to the first survey. The purpose of the focus groups was to confirm our interpretation of the results of the survey and to probe for important features that may have been omitted from the survey. The third phase was a conjoint experiment mailed to 400 residents of Seattle and King County.

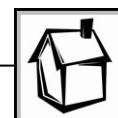




A conjoint experiment is a form of survey in which respondents rank descriptions of alternative items in order of preference. In this case the alternative items were different combinations of the features of a house and a neighborhood revealed by the first survey and the focus groups to be generally desirable. From respondents' rankings of the descriptions, we can infer the relative importance of each feature to each respondent. This allows us to define segments of the residential market, based on preferences, and it allows us to estimate the market shares of residential alternatives in different scenarios, or alternative futures.

Major Findings

1. On a scale of preference, townhouses and buildings with 2 to 5 units occupy an intermediate position between a detached single family house and a building with 6 or more units. Imagine a scale on which a single family house is a 10 and a building with 6 or more units is a 0. For the population as a whole, a townhouse would be a 7, and a unit in a building with 2 to 5 units would be a 3. For a significant minority, a townhouse or unit in a small multifamily building is preferable to a single family house.
2. For slightly more than 1/3 of the population, housing type is more important than any other dimension of a house or a neighborhood. For slightly less than 1/3, home ownership is more important than anything else, including housing type. For the final 1/3, many other things are more important than living in a single family house, including ease of housing affordability, commuting time and transit quality, urban amenities and culture, nearby neighborhood businesses, parks and trees, school quality, crime, and the strength of community.
3. Neighborhood parks, trees and greenery, good public transit, good access to neighborhood businesses, and design that gives a sense of openness have a significant impact on the desirability of dense city neighborhoods. When these features are added to city multifamily homes, the estimated percentage of the county population who would prefer these homes over other residential alternatives approximately doubles, from 9% to 17%. This occurs even if schools and crime are worse in the city than in the suburbs. The latter percentage is roughly the percentage of the county population planned for urban villages in Seattle's Draft Comprehensive Plan.
4. If townhouses were to become a significant housing option in urban villages, the percentage of the population who would prefer the urban village over other alternatives increases to about 22%. Most of those who would prefer to live in urban village townhouses would otherwise have chosen single family houses in the city or the suburbs.
5. If, along with the improvements listed in #3 above, school quality and crime were the same in the city and the suburbs, and urban villages became places with a strong sense of community, the attractiveness of urban villages would increase further. Under these conditions, more than 1/3 of the population would prefer an urban village apartment, condominium, or townhouse to multifamily housing outside the city or to a single family house anywhere.





6. What people want in a residence depends in part on how old they are, whether they have children, and how much money they have.

Households with children care more than households without children about housing type and school quality. Households without children care more than households with children about housing affordability, travel time to work, transit quality, nearby neighborhood businesses, urban amenities, and crime. As a result, households with children are much less likely than households without children to choose to live in an urban village, unless city schools are equal to suburban schools and townhouses are available.

Middle-aged people care more than the elderly and the young about housing type, and young people care the least. Young people care less about home ownership and neighborhood density, and more about housing affordability, travel time to work, urban amenities, and nearby parks. The elderly and the young care more about transit quality and crime. As a result, the young and the elderly are more likely than the middle-aged to prefer an apartment or condominium in an urban village.

Households with incomes above the median care more than households with incomes below the median about housing type and home ownership. Households with incomes below the median care more than households with incomes above the median about housing affordability, transit quality, and nearby neighborhood businesses. As a result, households with incomes below the median are much more likely than households with incomes above the median to prefer an apartment or condominium in

an urban village. Urban village townhouses would attract approximately the same share of each income group.

7. Urban villages will appeal most to people who already live in the central city. Seattle residents care less than residents of the rest of the county about housing type and home ownership, and may care less than residents of the rest of the county about school quality and crime. Seattle residents care more than residents of the rest of the county about housing affordability, travel time to work, transit quality, nearby neighborhood businesses, and urban amenities. As a result, Seattle residents are much more likely than residents of the rest of the county to prefer an urban village home, whether it is an apartment, a condominium, or a townhouse. Depending on school quality, the level of crime, and the affordability of single family houses in the city, between one-third and one-half of Seattle residents would choose the urban village over other residential alternatives.

